

and increased notification if the house they rent falls into foreclosure.

Exotic derivatives markets based on mortgages were a primary contributor to our current economic downturn. This bill requires creditors retain at least five percent of the credit risk of each loan they transfer, or sell to a third party. Similarly, H.R. 1728 would ensure that the secondary market also comply with these new standards as they buy and trade these loans as securities. Sharing risk is an important part of ensuring safety in the marketplace.

These reforms will help us rebuild our economy now, and help us avoid future mistakes like those that contributed to our current economic crisis. I support the Mortgage Reform and Anti-Predatory Lending Act, and I urge my colleagues to join me in voting for its passage.

MORTGAGE REFORM AND ANTI-PREDATORY LENDING ACT

SPEECH OF

HON. YVETTE D. CLARKE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 6, 2009

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1728) to amend the Truth in Lending Act to reform consumer mortgage practices and provide accountability for such practices, to provide certain minimum standards for consumer mortgage loans, and for other purposes:

Ms. CLARKE. Mr. Chair, today I rise in strong support of H.R. 1728 The Mortgage Reform and Anti-Predatory Lending Act of 2009. This bill will finally put a stop to the abusive and predatory lending practices that have contributed to our nation's highest home foreclosure rate in 25 years. In recent years, some homeowners were deceived and some homeowners received more expensive loans than they could afford. In response, this bill would ensure that mortgage lenders make loans that benefit the consumer—and would bar lenders from steering borrowers into higher cost loans. Moreover, it will prohibit lenders from offering “reasonable sounding mortgages,” only to hide huge fees, rising interest rates and junk insurance in the fine print. No longer will lenders be able to “get rich” at the borrower's expense. The Mortgage Reform and Anti-Predatory Lending Act prescribes a simple standard for all home loans: institutions must ensure that borrowers can repay the loans they are sold, before they sign on the dotted line. Under this measure, lenders and the secondary mortgage market who don't comply with these standards would be held liable by consumers for rescission of the loan and the consumer's costs for rescission, including attorney's fees. This would encourage the market to move back toward making fixed-rate, fully documented loans.

Although increased regulation of the lending market is crucial to the resurgence of our housing market and economy—the main reason why I stand today is because of this bill promises to bridge the financial information gap. For many people, especially in my district of Central Brooklyn, homeownership allows them to live independently and in relative comfort, while slowly accruing wealth simply by

staying in one place. But predatory lending and mortgage fraud undermines a low-income homeowner's grasp on economic security, leaving the most vulnerable of our society with insurmountable debt. Thereby, continuing the cycle of poverty.

In the case of the 11th Congressional District, most foreclosure victims live in low and moderate income working class communities, where conventional financial services are not available. Corrupt lenders prey on these people, offering loans they know the borrower can't afford. Good lending advice should always be available to all. The Mortgage Reform and Anti-Predatory Lending Act directs the Secretary of Housing and Urban Development to establish a grant program to provide legal assistance to low income homeowners and tenants concerning home ownership preservation, foreclosure prevention, and tenancy associated with home foreclosure. These grants would be given out to qualifying state and local governments and nonprofit organizations offering homeownership or rental counseling. This would help level the playing field for those most susceptible to the corrupt dealings of predatory lenders.

Addressing the mortgage foreclosure crisis is one of my top priorities. This is why, the day after I was sworn into office, this year, I proudly voted for the Systematic Foreclosure Prevention Act which directed the FDIC to create a program that would provide incentives to loan servicers for mortgage medication. Additionally, earlier this year—I introduced my own legislation, H.R. 1848, the Foreclosure Prevention Act—that authorizes an appropriation of \$100 million dollars to Neighbor Works America for foreclosure mitigation activities and mortgage counseling. I am very pleased that the principals of my bill were adopted into the Mortgage Reform and Anti-Predatory Lending Act.

Lastly, I am proud that we are doing what must be done to rebuild our economy in a way that is fair and consistent with our values. Again, I stand in strong support of H.R. 1728, and pledge to continue my fight for common sense reform and consumer protections.

MORTGAGE REFORM AND ANTI-PREDATORY LENDING ACT

SPEECH OF

HON. LINDA T. SÁNCHEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 6, 2009

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1728) to amend the Truth in Lending Act to reform consumer mortgage practices and provide accountability for such practices, to provide certain minimum standards for consumer mortgage loans, and for other purposes:

Ms. LINDA T. SÁNCHEZ of California. Mr. Chair, I offer my strong support for the Mortgage Reform and Anti-Predatory Lending Act.

Abusive and predatory lending practices have wreaked havoc upon the American economy, bringing it to its worst state since the Great Depression. What started as a subprime mortgage crisis has ballooned to affect everyone. Millions of families have lost their homes or face the prospect of foreclosure, and busi-

nesses large and small are laying-off employees in record numbers. Unemployment figures have risen to numbers unseen in decades.

Although Congress has made great strides to stabilize and rejuvenate the economy, we must regulate lenders so that a crisis like this will never happen again. We must protect innocent home buyers from unscrupulous mortgage lenders eager to make a quick buck. Mortgage lenders should not steer borrowers into higher cost loans just to increase their commissions. Mortgage institutions should ensure that borrowers can repay the loans they are sold. Creditors should retain an economic interest in a portion of the loans they sell, which would help them to be more responsible about initiating loans.

Passing the Mortgage Reform and Anti-Predatory Lending Act is the right thing to do. The Mortgage Reform and Anti-Predatory Lending Act will outlaw many of the egregious lending practices that have multiplied in recent years and spark a return to more responsible lending methods.

These much-needed changes are long overdue and will protect vulnerable home buyers. That is why I urge my colleagues to support this critical legislation.

MORTGAGE REFORM AND ANTI-PREDATORY LENDING ACT

SPEECH OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 6, 2009

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1728) to amend the Truth in Lending Act to reform consumer mortgage practices and provide accountability for such practices, to provide certain minimum standards for consumer mortgage loans, and for other purposes:

Mr. DINGELL. Mr. Chair, I rise in support of H.R. 1728, the “Mortgage Reform and Anti-Predatory Lending Act.” Risky lending practices, combined with the consequent securitization of mortgages, ultimately brought a violent end to the housing bubble and left the United States with a constricted credit market not seen in generations. In short, simple avarice and an inexcusable disregard for the long-term health of the mortgage market gave rise to the economic crisis in which this Nation presently finds itself mired.

Just as our predecessors did in the wake of the Great Depression, we, too, must enact laws to ensure transparency in our economy and prevent the recurrence of practices that have left millions of Americans facing foreclosure. H.R. 1728 is but one of several essential means by which to achieve that end. This legislation, by requiring the licensing and registration of mortgage originators and proof of a borrower's ability to repay a home loan, will serve to impede—and hopefully altogether prevent—the irresponsible home lending practices that have in great part crippled the economy of my home state of Michigan, which, with one foreclosed home for every 136, has the sixth-highest foreclosure rate in the nation.

Although politically expedient to focus our ire over the current economic crisis on insalubrious actors in the financial services sector and making them the target of punitive legislation, we must not lose sight of the necessity

of providing consumers adequate protection from predatory lenders. H.R. 1728 recognizes this by prohibiting any compensation structure that could cause a loan originator to steer applicants toward costlier mortgages, providing a grace period for tenants before eviction from their homes, and creating an Office of Housing Counseling within the Department of Housing and Urban Development to educate consumers about what some might term as the Byzantine inner-workings of the housing market.

I am proud to support passage of this legislation and urge my colleagues to do so as well.

MORTGAGE REFORM AND ANTI-PREDATORY LENDING ACT

SPEECH OF

HON. DEAN HELLER

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 6, 2009

The House in Committee of the Whole House of the State of the Union had under consideration the bill (H.R. 1728) to amend the Truth in Lending Act to reform consumer mortgage practices and provide accountability for such practices, to provide certain minimum standards for consumer mortgage loans, and for other purposes:

Mr. HELLER. Mr. Chair, I support and would have voted for H.R. 1728, the Mortgage Fraud and Anti-Predatory Lending Act. Considering the serious situation in Nevada related to housing issues, I support and would have voted for this bill to reform the mortgage and housing industry. H.R. 1728 reforms federal laws related to mortgage loan providers, those that buy or sell mortgages on the secondary securities markets, as well as appraisers. This bill will help reduce predatory lending practices and restrict lenders from making loans available to consumers that cannot afford them.

In the last Congress, I supported and voted for a similar bill, H.R. 3915, the Mortgage Reform and Anti-Predatory Lending Act of 2007. This bill passed the House by a vote of 291–127, on November 15, 2007, but was never considered by the Senate. Though this new version of the bill in the 111th Congress has a number of differences, and is not a perfect piece of legislation, I still would have voted in support of the legislation. I sincerely hope that some of the changes that need to be made will be achieved by the Senate or in a conference committee.

The economic downturn and housing situation in Nevada is dire. According to one leading foreclosure tracking service, foreclosures in Nevada were up 108% from February 2008 to February 2009. Nevada is the number one state, per capita, in foreclosures. Housing inventory is at an all-time high and construction and new starts are at a near standstill in both northern and southern Nevada. Clark County is one of the hardest hit counties in the nation.

Reforming mortgage fraud and predatory lending practices is critical to restoring confidence in the nation's housing market, helping get the economy back on track, and most importantly, helping keep Nevada families in their homes.

NATO SUMMIT

HON. JOHN S. TANNER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 2009

Mr. TANNER. Madam Speaker, from April 2–9, 2009, in my capacity as President of the NATO Parliamentary Assembly (NATO PA), I spoke at the 60th Anniversary Summit of NATO in Strasbourg/Kehl; chaired the NATO PA Standing Committee meeting and conducted bilateral meetings in Vilnius, Lithuania; traveled to Kiev, Ukraine and Tbilisi, Georgia on NATO PA Presidential visits; and addressed the EAPC Ambassadors in Brussels, Belgium. The Honorable JO ANN EMERSON (R-MO), who chairs the NATO PA's Civil Dimension of Security Committee and serves on the Standing Committee of the NATO PA, and NATO PA Secretary General David Hobbs, joined and worked with me to make this a successful trip.

In the NATO PA, parliamentarians from NATO member and partner states gather to discuss NATO issues and as elected officials, have a close working relationship with the Alliance. In addition to my role as the Assembly's President, I chair the U.S. delegation to the NATO PA. The U.S. delegation is always bipartisan, actively and regularly participates in the NATO PA sessions, and several of our delegates hold elected offices within the Assembly. The NATO PA meetings afford an opportunity to sound out parliamentarians from allied states on public opinion, defense and foreign policy, and trends in strategic thinking. These meetings also allow us to come to know members of parliaments who play important roles in shaping the security agenda that their governments debate at NATO headquarters. These relationships can last a lifetime and enhance mutual understanding of issues in the different member countries.

NATO SUMMIT IN STRASBOURG/KEHL

The NATO Summit was held April 3–4 in Strasbourg/Kehl, which is situated on the German-French border. There is great symbolism in the Alliance's 60th Anniversary being celebrated on this border, given what has transpired over the last century in those two countries which drew the United States into both World War I and World War II.

On behalf of the alliance parliamentarians, I addressed the Heads of State and Government at the NAC (North Atlantic Council), the Alliance's decision-making body. I outlined three serious challenges facing NATO at this time in its 60th year which we, as parliamentarians, believe are critical to the Alliance: the mission in Afghanistan, our relationship with Russia, and the need for a new Strategic Concept.

At the beginning of the NAC, NATO Secretary General Jaap de Hoop Scheffer welcomed Albania and Croatia as new members of the Alliance. He noted that their membership comes as the result of long years of hard work and that both countries have shown dedication and drive in completing the necessary reforms of their governing structures and their militaries. Since the United States is the depository country of the Washington Treaty, President Obama handed over copies of the Washington Treaty to the Presidents of Albania and Croatia, signifying the two countries' admission to the Alliance. Additionally,

the 28 NATO Heads of State and Government unanimously agreed to appoint Danish Prime Minister Anders Fogh Rasmussen as NATO's next Secretary General. He will officially take up his duties on August 1 of this year, when the term of Secretary General Jaap de Hoop Scheffer expires after over five years of leading the Alliance.

For the first time, the NATO PA was mentioned in the NATO Summit Declaration. In paragraph 17 it states: "We welcome the role of the NATO Parliamentary Assembly in promoting the Alliance's principles and values."

LITHUANIA

On April 5 in Vilnius, I chaired the Standing Committee meeting of the NATO PA. The Standing Committee consists of the heads of the Member delegations, chairs of the five NATO PA Committees, and the Bureau of the Assembly. In a productive session, we approved Bulgarian MP Assen Yordanov Agov as the Assembly's new Vice President. Mr. Agov will replace outgoing NATO PA Vice President Rasa Juknevičienė, who vacated the post to serve as Lithuania's Defense Minister. Among other agenda items, the Committee discussed relations with the Russian delegation to the NATO PA, increasing the profile of our relationship with Georgia, relations with Belarus, cost cutting measures for NATO PA meetings in light of the current economic climate, and the Assembly's contribution to a future NATO Strategic Concept. I took the opportunity of the Standing Committee forum to emphasize my presidency theme of teamwork and a "Team NATO" concept, and that keeping a critical mass of public support to maintain the Afghanistan mission is essential. 2009 is a critical year for the Alliance in Afghanistan, and I stressed a sense of urgency with this timeline.

Also in Vilnius, Ms. Emerson and I attended a working dinner hosted by the Speaker of the Seimas (Lithuania's Parliament), Arunas Valinskas. We were joined by Seimas Members Juozas Olekas and Emanuelis Zingeris and the Director of the Seimas's International Relations Department, Sigita Trainauskiene. Our Ambassador to Lithuania, John Cloud, also participated. We thanked the Lithuanians for their contributions in Afghanistan, highlighting that their per capita contribution to the effort is impressive. In turn, the MP's thanked the U.S. for its support throughout the Soviet occupation and its role in regional NATO initiatives such as Baltic Air Policing. We discussed energy issues, mainly Lithuania's concern regarding the requirement to close their nuclear power plant by the end of this year (an EU membership condition they agreed to eight years ago). We encouraged them to amend Lithuania's residency law which currently requires Americans (and other non-EU nationals) who are working in Lithuania to live in the country for two years before their family members can receive residency permits to join them. They reassured us it would be resolved by this summer. We also encouraged them to address Jewish property restitution issues.

We enjoyed a warm reception from our Lithuanian counterparts and the visit underscored the strong working relationship between our two countries. This year marks five years of NATO Membership for Lithuania. The bilateral visit and the NATO PA meetings, particularly on the heels of the NATO Summit, received positive attention from the local media.